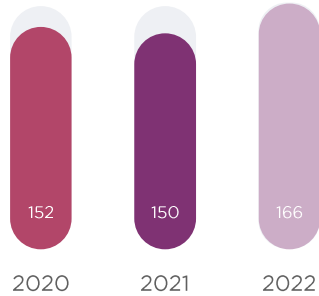# WAVESTONE

Cybersecurity startups
Radar 2022

How to accelerate the emergence of cyber champions in France & Europe?

A strong and dynamic ecosystem with a first cyber unicorn!
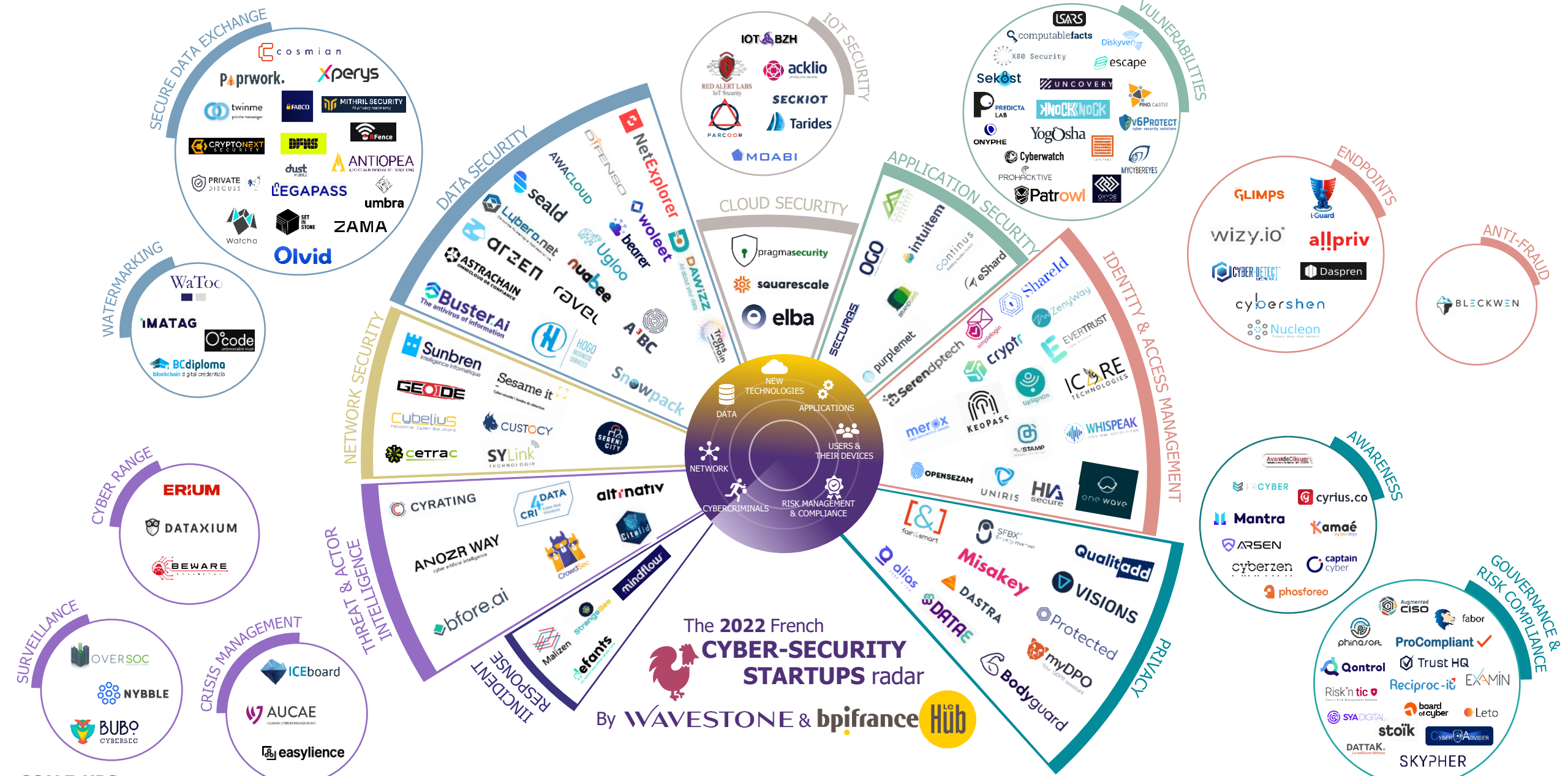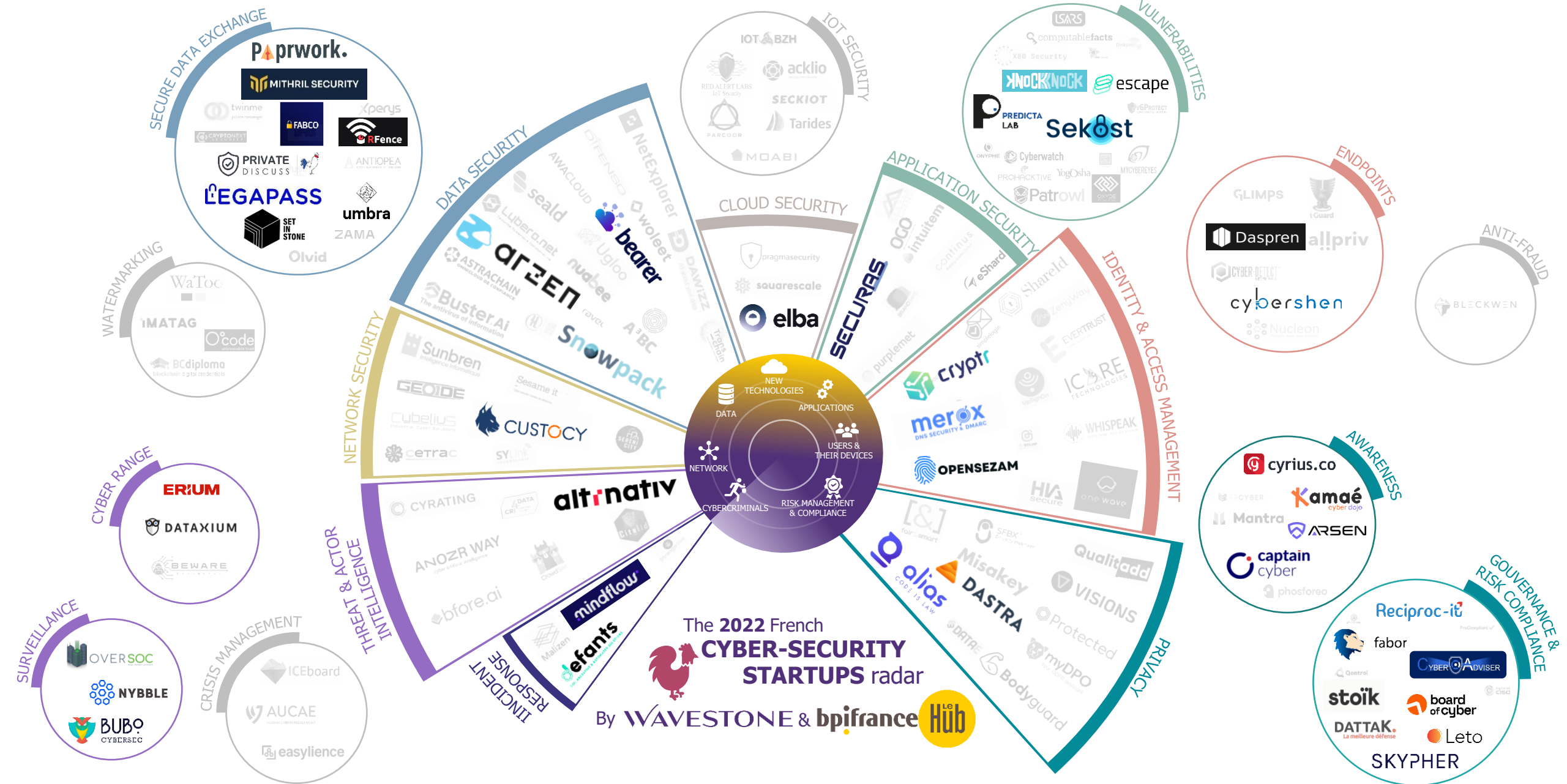
166

Cybersecurity startups in France

152 — 2020
150 — 2021
166 — 2022

24

Cybersecurity scale-ups in France

1

unicorn

The 2022 French CYBER-SECURITY STARTUPS radar

By WAVESTONE & bpifrance Le Hub

SECURE DATA EXCHANGE

DATA SECURITY

IOT SECURITY

CLOUD SECURITY

APPLICATION SECURITY

VULNERABILITIES

ENDPOINTS

ANTI-FRAUD

WATERMARKING

NETWORK SECURITY

IDENTITY & ACCESS MANAGEMENT

AWARENESS

CYBER RANGE

THREAT & ACTOR INTELLIGENCE

INCIDENT RESPONSE

PRIVACY

GOUVERNANCE & RISK COMPLIANCE

SURVEILLANCE

CRISIS MANAGEMENT

NEW TECHNOLOGIES
DATA
APPLICATIONS
USERS & THEIR DEVICES
NETWORK
CYBERCRIMINALS
RISK MANAGEMENT & COMPLIANCE

SCALE-UPS

FT 120

UNICORN

3

The 2022 French CYBER-SECURITY STARTUPS radar

By WAVESTONE & bpifrance Le Hub

**45 newcomers since last edition
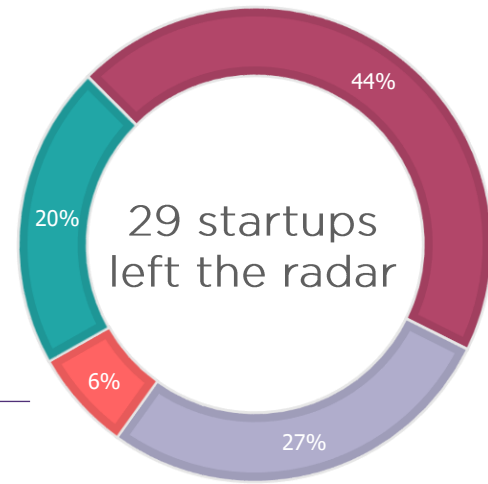with a strong focus on data security, GRC and detection & response**

3

Many startups are lacking growth

> 35 employees (6)

Still a good number of fast-riser : some of them joined the scale-ups category

HarfangLab

HACKUITY

DATA LEGAL DRIVE Plateforme de gouvernance RGPD

TP trustpair

SisID

EVINA

> 7 years of existence (13)

Lack of growth on sales, recruitment and/or funding

BlueFiles

LOCKSELF

digitalberry

Shadline TIME FOR TRUST

cyber test SYSTEMS

Culmineo

rubycat

OZON

UNITED BIOMETRICS

KeeeX

SCILLE

CyberSas

STAMVS NETWORKS

29 startups left the radar

44%

27%

20%

6%

Buyout (2)

Tanker

CONTENT ARMOR

Liquidation or switched to consulting (8)

BLACKBOXSECU ® Your Voice Belongs To You

LOKLY Secured by design

ithone

LENA

unikname

ORISECURE

STRATUMN

leakwatch

5

The ecosystem remains well-spread

Paris prevails, hosting **60%** of the startups

Relying on strong academic and industrial sectors, other strong areas emerge like **Rennes**

Lille

Rennes **Paris**

Nancy

Vannes

Lyon

Bordeaux

Montpellier

Toulouse

Teams size remains stable

NUMBER OF EMPLOYEES IN STARTUPS

(+5%)   (+28%)   (-15%)

80   67   19

Extra Small
(< 10 employees)

Small
(10-20 employees)

Medium
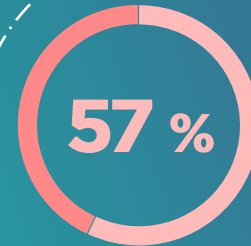(> 20 employees)
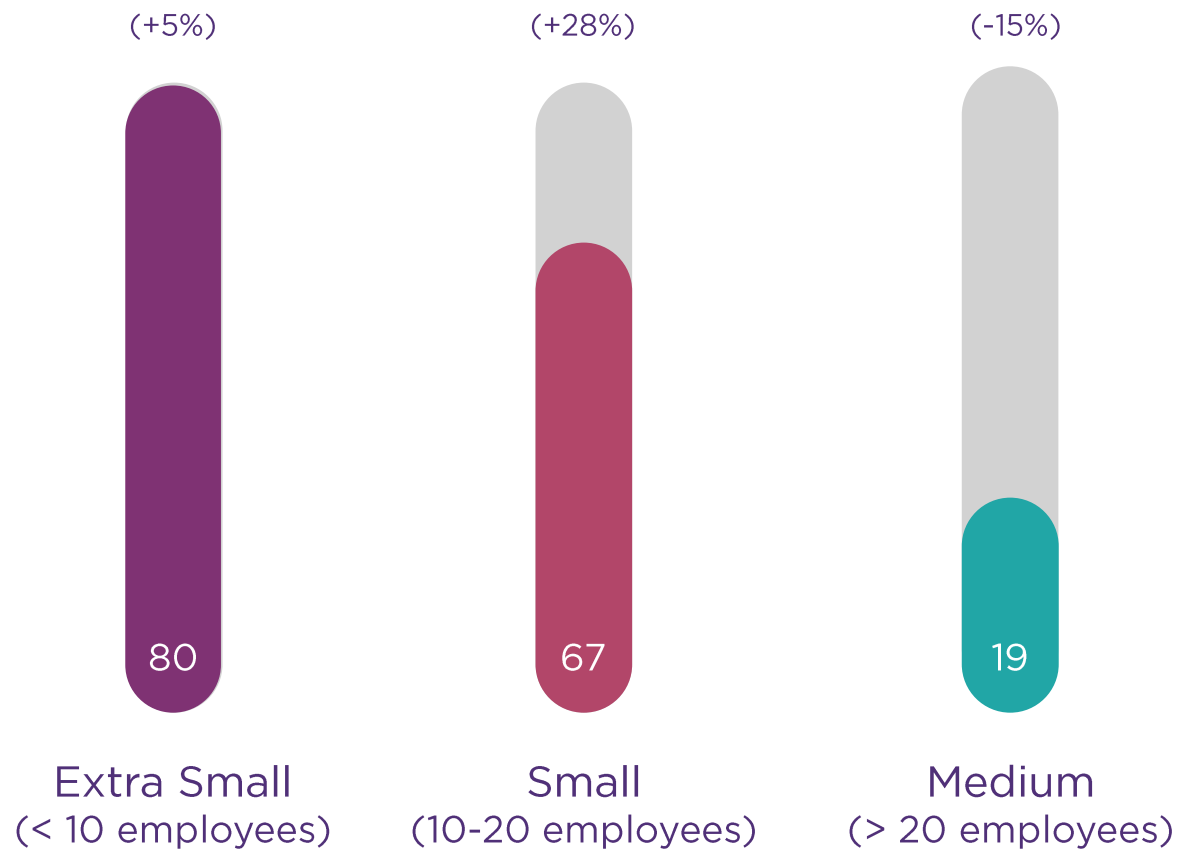
About
1800
direct jobs

+200 since last year

28%
increase in
Small teams
since last
year's edition

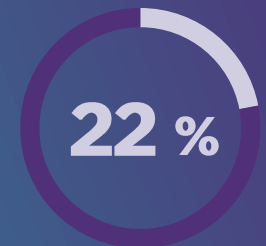# Startups are not keen on emerging topics, and few collaborate with research or private actors
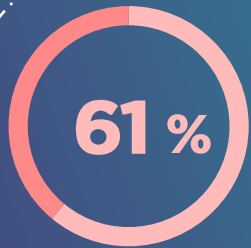
61 % of startups reinvent existing security solutions

VS

39 % of startups create new security solutions (31%) or secure new use cases (8%)

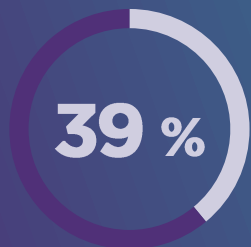**57 %** of startups fully internalize their R&D from the beginning

Few startups are in contact with the research sector (research labs, schools, universities..) **22 %**

16 % and fewer are in touch with the private sector (industrials, CAC40, SMEs)

NB: The less innovative ones can be very successful if they are commercially agile

What happened to scale-ups?

11 new scale-ups

cybervadis   HarfangLab   **trust**pair

SisID   **DIGITEMIS** CYBERSECURITY & PRIVACY   HACKUITY   DATA LEGAL DRIVE

EVINA   Smart Global Governance   DIDOMI

EGERIE INTEGRATED CYBERRISK MANAGEMENT

4 movements

Buyout	Into FT120	Into Unicorn
ubble	yousign	Ledger
	GitGuardian	

24
Cybersecurity scale-ups in France

Diverse ecosystem, mostly scale-ups targeting **large** clients, mostly **internationally**
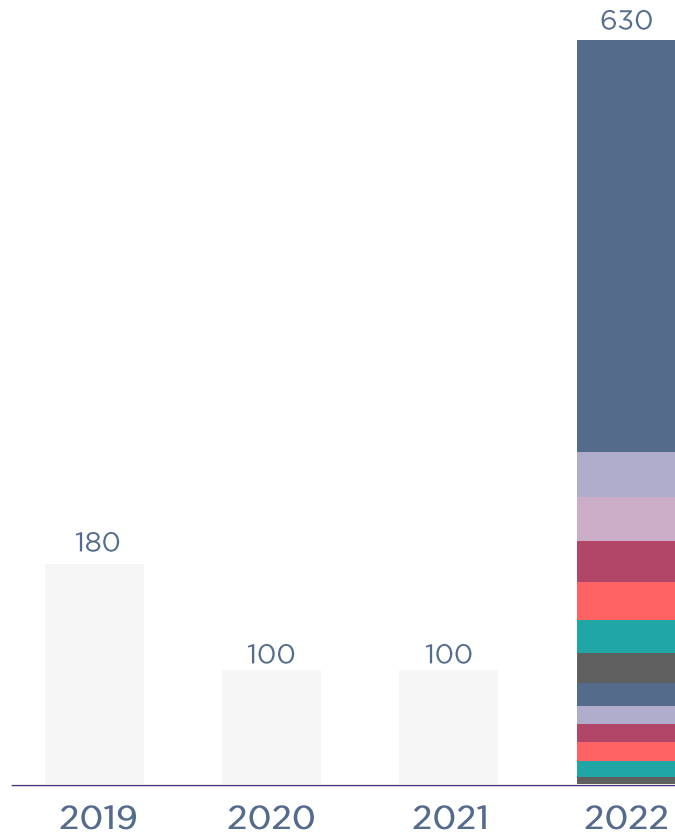
Enormous growth of fundraising events...

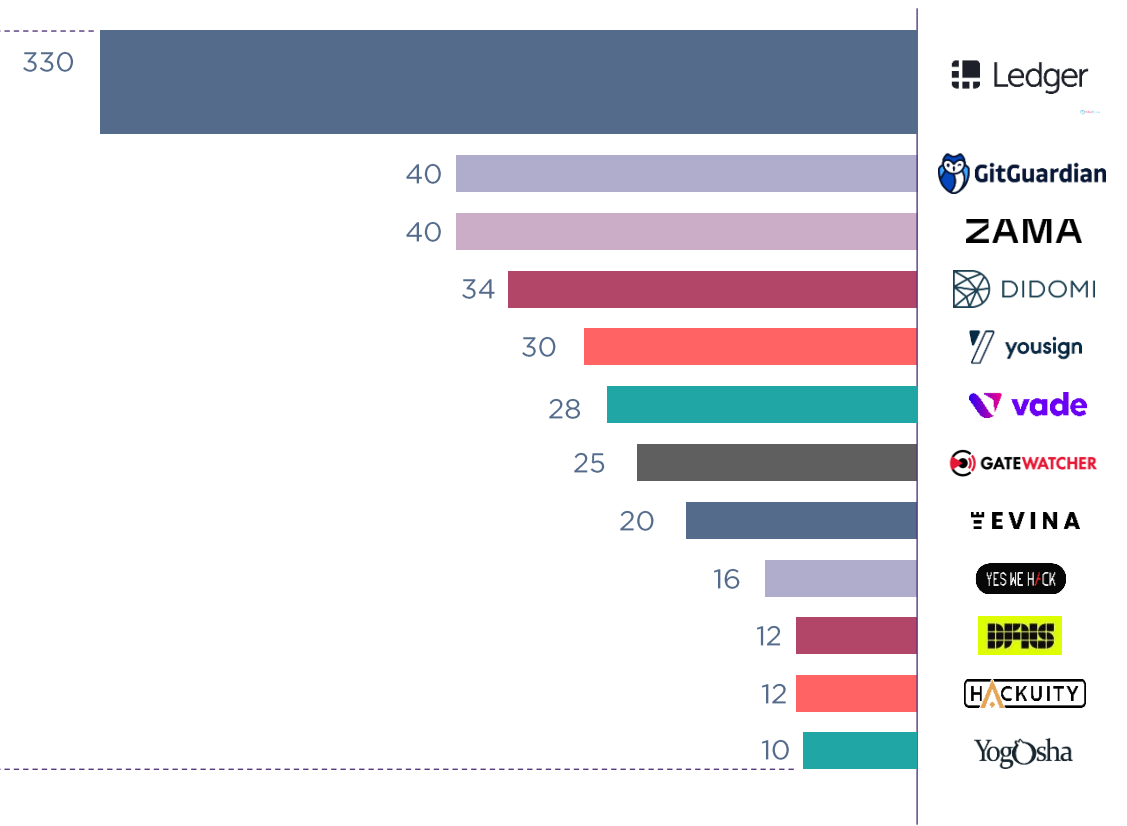## Fundraising comparison
in M€, from June to June

2022 major fundraising events
> 10M€, from June 2021 to June 2022

Cybersecurity startups radar | 2022

Most of them have already raised funds before, following the common investment pattern

... but the FR ecosystem displays an important margin for progress compared to other markets

We explored and interrogated the ecosystem to find key levers for improvement

25 — **French unicorns**
but only 1 cyber unicorn: Ledger

50+ — **Cyber unicorns worldwide**

In comparison, the American and Israeli markets allow to take advantage of the cyber ecosystem, **guarantee the strategic sovereignty** and **develop the economy** of their host country.

How to change this?

Core team

&

Interviews

on

Key Topics

FRANCE DIGITALE
WAVESTONE — The Positive Way
CAMPUS CYBER
FRANCE 2030
bpifrance

Investors
Public actors
Senior Scientists
Coaching structures
Entrepreneurs

Market stimulation
Coaching
Recruitment

Startups development
Investments
Technological innovation

A unicorn is defined here as a company valued above €1B & not publicly traded
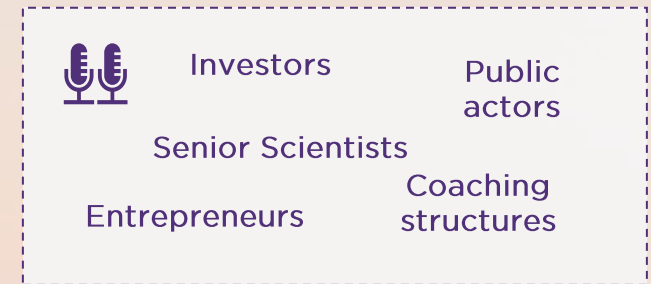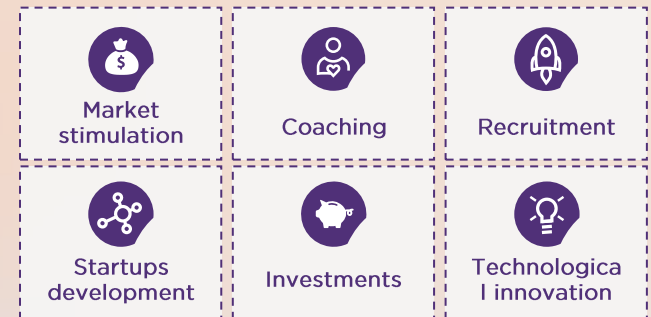
The 7 commonly known pain points of the cyber innovation ecosystem

Cyber startups struggle to properly address the market

The ecosystem is still timid towards cyber startups

Lack of innovation

Lack of ambition

HR issues

Difficulties to export

Cautious investors

Fractured market

Reluctant market

French and European public actors have already launched many great cyber-related initiatives to be able to compete with foreign markets

Efforts are focused on two main objectives

1 Structure the European Market

Launch of the European NASDAQ in 2022

EU commission initiatives to boost and structure cyber innovation

Multiplication of cyber-related European regulations

Creation of a cyber observatory steered by the SGPI

Cyber Grand Challenge

Inauguration of the Cyber Campus and the Cyber Booster / accelerator

2 Unlock trust & innovation

These recent initiatives should be encouraged, developed and their efficiency measured!
They enable effective addressing of the identified pain points.

What needs to be done to boost the emergence of cyber tech champions?

The **BASIC** skills are important...

/ Focus on fine-tuning your **value proposition**, developing your ability to **convince** & **pitch**

/ Insist on **user experience** & **ergonomics**, consider limiting PoCs and/or open-source strategies

/ **Engage** the market and your potential clients as early as possible

/ In the early stages, **rely on start-ups' attractiveness** to recruit, and **anticipate recruitment issues** when scaling-up

...BUT there are new things to try

for
ENTREPRENEURS

and the
MARKET

Entrepreneurs: be bold and ambitious!

MOST ENTREPRENEURS ARE STILL DEVELOPING THEIR SOLUTION ISOLATED & WITHOUT ENOUGH AMBITION

Evaluate your innovation leveraging the newly born ecosystem

Globalize quickly

Choose the right path depending on your evaluation

Entrepreneurs: be bold and ambitious!

MOST ENTREPRENEURS ARE STILL DEVELOPING THEIR SOLUTION ISOLATED **&** WITHOUT ENOUGH AMBITION

Globalize quickly

Choose the right path depending on your evaluation

Evaluate your innovation leveraging the newly born ecosystem

Contact successful cyber entrepreneurs

Join cyber-specific incubators

Maintain your innovation Edge and get in touch with research actors

Entrepreneurs: be bold and ambitious!

Evaluate your innovation leveraging the newly born ecosystem

Globalize quickly

Choose the right path depending on your evaluation

Quickly organize **learning expeditions** on successful markets

It allow for identifying opportunities, competitors, growing your network...

Consider joining an **international accelerator**

Entrepreneurs: be bold and ambitious!

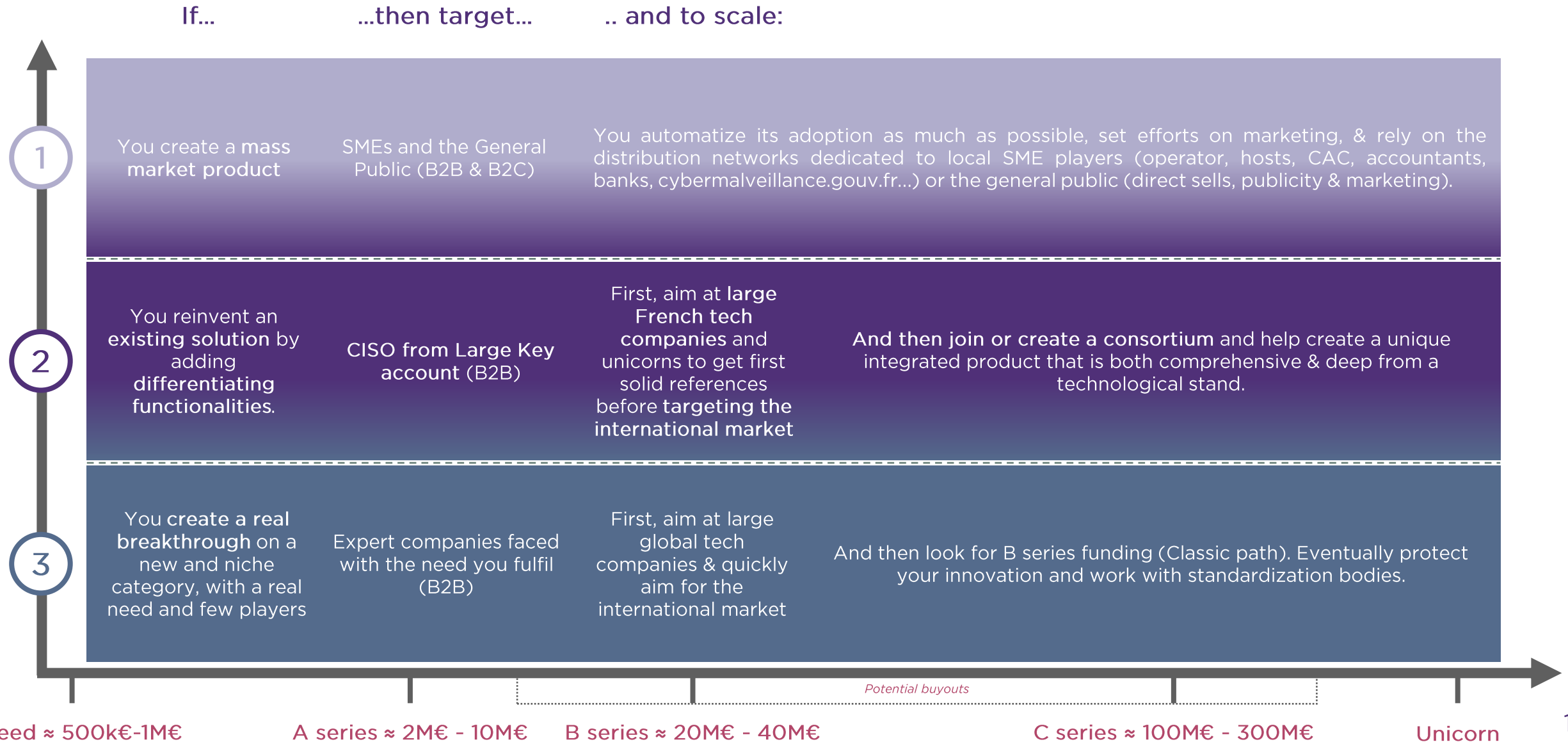Evaluate your innovation leveraging the newly born ecosystem

Globalize quickly

Choose the right path depending on your evaluation

Real tech break-through

Existing solution with new differentiators

Mass market product

Cybersecurity startups radar | 2022

Entrepreneurs: 3 success paths to inspire you!

	If...	...then target...	.. and to scale:
1	You create a **mass market product**	SMEs and the General Public (B2B & B2C)	You automatize its adoption as much as possible, set efforts on marketing, & rely on the distribution networks dedicated to local SME players (operator, hosts, CAC, accountants, banks, cybermalveillance.gouv.fr...) or the general public (direct sells, publicity & marketing).
2	You reinvent an **existing solution** by adding **differentiating functionalities**.	**CISO from Large Key account** (B2B)	First, aim at **large French tech companies** and unicorns to get first solid references before **targeting the international market**	**And then join or create a consortium** and help create a unique integrated product that is both comprehensive & deep from a technological stand.
3	You **create a real breakthrough** on a new and niche category, with a real need and few players	Expert companies faced with the need you fulfil (B2B)	First, aim at large global tech companies & quickly aim for the international market	And then look for B series funding (Classic path). Eventually protect your innovation and work with standardization bodies.

Cybersecurity startups radar | 2022

Potential buyouts

Seed ≈ 500k€-1M€   A series ≈ 2M€ – 10M€   B series ≈ 20M€ - 40M€   C series ≈ 100M€ - 300M€   Unicorn

Ecosystem: going further to help unlock investments and the EU market potential

AT THE FRENCH SCALE, THESE RECOMMENDATIONS CAN BE CARRIED OUT AT GOVERNMENT AND/OR CYBER CAMPUS LEVELS

Unlock the EU Market's potential | 27 countries vs. the US

Create an EU innovation network between Cyber Campus and equivalent to launch the EU market

/ Facilitate time-consuming and heavy administrative tasks (translation, …) and foster implementation on EU markets

/ Monitor European regulations and funding levers to help local companies seize opportunities

/ Help identify and create European consortiums

/ Create a platform to showcase innovative EU solutions and provide easy access to SMEs

Launch a quality-oriented Cyber EU label

/ Recognized by all member-states, it will help to prove the value of cyber products, create initial trust, and ease first client contacts

/ It will be in relation with a research institute that analyses product best fitted for the EU market

Favor cyber startups in public procurements: the Buy European Tech Act

/ The ecosystem wants to set discussions at the EU level around ways to help European Tech startups to win over public procurements.

Ecosystem: going further to help unlock investments and the EU market potential

Unlock B & C series investments
and leverage the future EU tech market

Encourage the creation of large private European Cyber funds

Help investors understand cyber challenges, the market & local ecosystem's qualities

(e.g., investors-centered "demo days" and successful investors Key Notes)

Streamline the control of foreign investments

/ Guarantee a normalized processing delay and Standardize and formalize requirements, ensure transparency and regular follow-ups

/ Hosted by private firms

/ Backed by multiple state-members sovereign actors

/ With no or limited extra European investment sources

Questions?

Find the 2022
startup radar
on our website

Gérôme BILLOIS
gerome.billois@wavestone.com
Partner

Jules HADDAD
jules.haddad@wavestone.com
Manager

Thomas ARGHERIA
thomas.argheria@wavestone.com
Consultant

The Positive Way

WAVESTONE

Methodology: startups

1 | **Global watch** on cybersecurity and digital trust startups

2 | **1000** cybersecurity startups in our global watch list

3 | **Meetup** with ~3 startups / month and incubator

Criteria

Headquartered in **France**

Less than **35 employees**

Less than **7 years** of existence (except major business changes)

Less than **50% in consulting activities**

Validation through **open sources** and **direct contact*** with most of the startups in the Radar
* 90 % of the startups answered our 2021 survey

Methodology: scale-ups, a new category

Headquartered in **France**

Less than **50% in consulting activities**

Do not meet the **cybersecurity radar criteria**

Significant fund raise

A **founding round** of at least **10 M€** within the last 3 years

OR

Significant sales revenue growth

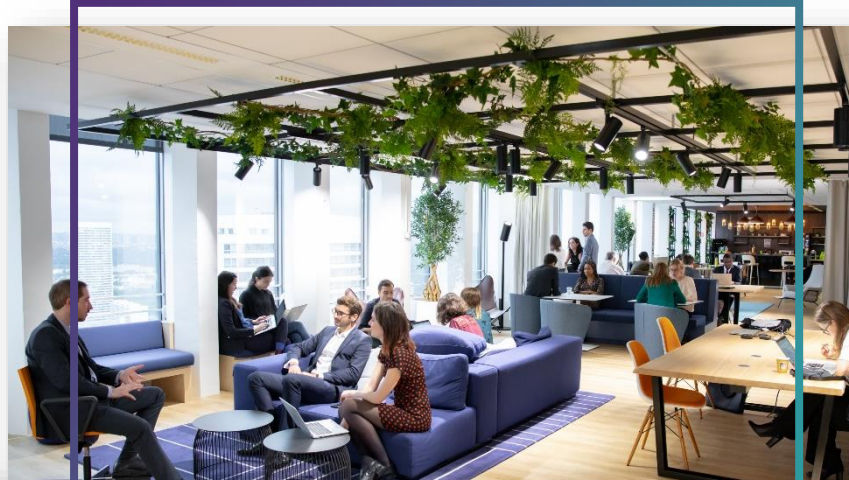If sales revenue > 5M€, and annual growth of sales revenues > 25% (last 3 fiscal years)
OR
If 2.5M€ < sales revenue < 5M€, and annual growth of sales revenues > 50% (last 3 fiscal years)

Supporting large organizations in their most critical transformations

Pure player
in consulting

€470m

**Business
Technology
Sustainability**

**Europe
US, Asia**

~4,000 employees
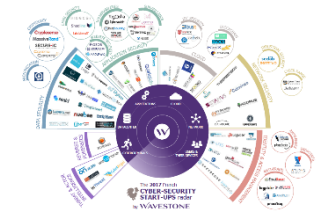
WAVESTONE

An independent leader in cybersecurity

UNLOCK INNOVATION WITH TRUST

A team of **600+** cybersecurity consultants & experts serving **1000+** clients

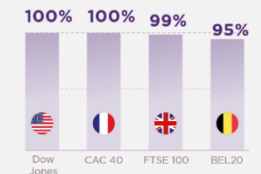US | UK | FR | BE | CH | LU | HK | MA

INNOVATIVE & MAKER

/ Cloud & Next-gen security

/ Digital Identity

/ Risk management & Compliance

CISO & Start-ups radars

CORE-BUSINESS PARTNER

/ Financial Services

/ Manufacturing & Industry 4.0

/ IoT & Smart Products

Sectorial benchmarks

TRUSTED & EXPERT

/ C-levels
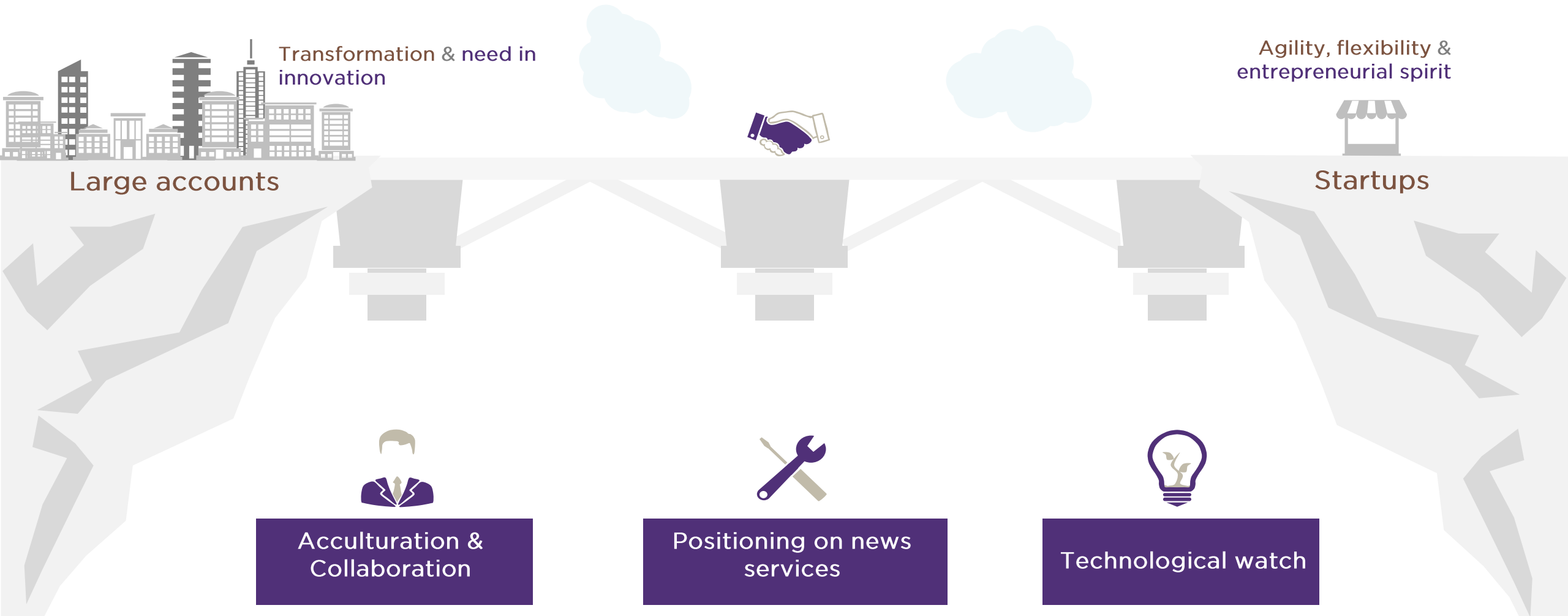
/ Incident Response

/ Ethical hacking

CyberLab

Shake'Up: enriching our value proposition through a discovering and coaching startups program

SHAKE UP BY WAVESTONE

Building a bridge of collaboration between large account ecosystems & startups encouraging synergies & agility

Transformation & need in innovation

Agility, flexibility & entrepreneurial spirit

Large accounts

Startups

Acculturation & Collaboration

Positioning on news services

Technological watch

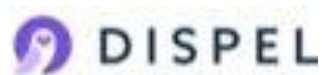# Wavestone Shake'Up - Startups

Our alumni

Une solution de cyberdéfense conçue pour les décideurs afin de détecter les failles des entreprises avant les *hackers*

Une solution de *cyber threat intelligence* tirant parti de marqueurs techniques, géopolitiques, économiques et sociaux pour anticiper les cyber menaces et quantifier les risques

Une solution qui fourni un accès à distance à une ressource sensible de façon simple et sécurisée
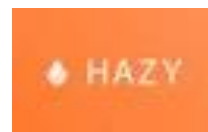
Hazy propose une solution qui crée des données de synthèse en s'appuyant sur des données de production afin de les anonymiser

Moabi propose une solution d'analyse de firmware a destination des IoT

Une solution de communication via des ultrasons qui peut entre autre être utilisée pour de l'authentification forte

Sqreen renforce la sécurité des applications web de façon robuste, continue et transparente

Une solution de collaboration sécurisée reposant sur des mécanismes cryptographiques avancés

Hackuity centralise la gestion des vulnérabilités du SI

Current